

Message Text

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PAGE 01 ANTANA 00172 021415Z

ACTION AF-10

INFO OCT-01 EUR-12 ISO-00 SP-02 USIA-15 AID-05 EB-08
NSC-05 TRSE-00 SS-15 STR-07 OMB-01 CEA-01 CIAE-00
COME-00 FRB-01 INR-07 NSAE-00 XMB-04 OPIC-06
LAB-04 SIL-01 L-03 H-02 PA-02 PRS-01 AGRE-00
/113 W

-----005948 030600Z /20

R 020711Z FEB 78

FM AMEMBASSY ANTANANARIVO

TO SECSTATE WASHDC 0159

INFO USDOC WASHDC

AMEMBASSY NAIROBI

AMEMBASSY KINSHASA

AMEMBASSY LONDON

UNCLAS ANTANANARIVO 0172

DEPT PASS EXIM

E.O. 11652: N/A

TAGS: EFIN, ETDR, EAIR, EXIM, MA

SUBJECT: MADAGASCAR'S FOREIGN EXCHANGE RESERVES REPORTED
AT ALL-TIME HIGH

REFS: A) 77 ANTANANARIVO 1832 B) 77 ANTANANARIVO 2124
C) 77 ANTANANARIVO 2181 D) 77 ANTANANARIVO 2391 (ALL NOTAL)

1. SUMMARY. REFS REPORTED PLUNGE OF MADAGASCAR'S FOREIGN
EXCHANGE RESERVES FROM 14.64 BILLION FMG IN MAY 1977 TO
3.67 BILLION FMG IN OCTOBER 1977, AND ALL-TIME LOW. JANUARY
CENTRAL BANK BULLETIN REPORTS RESERVES IN NOVEMBER BACK UP
TO 10.92 BILLION FMG. NOW WE HAVE UNCONFIRMED REPORTS THAT
RESERVES ARE AT AN ALL-TIME HIGH OF ABOUT 20 BILLION FMG.
(CURRENTLY, 235 FMG EQUALS APPROX. ONE DOLLAR). END SUMMARY.

2. ARTICLE IN RECENT ISSUE (NO. 890) OF JEUNE AFRIQUE
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INCLUDES CLAIM THAT IN JANUARY RESERVES SOARED TO MORE
THAN 20 BILLION FMG OR APPROXIMATELY 85 MILLION DOLLARS.
REPORTEDLY, THIS WAS DUE TO SALES IN DECEMBER OF LARGE
STOCKS OF COFFEE AND CLOVES WHICH HAD BEEN HELD OFF THE
MARKET BY GOVERNMENT OFFICIALS AND EXPORTERS WHO WERE
AWAITING HIGHER PRICES. ACCORDING TO ARTICLE, CENTRAL
BANK PRESSED THESE OFFICIALS TO FREE THE COFFEE AND

CLOVES FOR EXPORT TO REBUILD EXCHANGE RESERVES.

3. WHILE WE HAVE NO CONFIRMATION OF THIS REPORT WE HAVE SECOND HAND INFORMATION FROM A WELL INFORMED OFFICIAL THAT RESERVES ARE NOW ABOUT 75 MILLION DOLLARS. WE BELIEVE THIS REPORT TO BE TRUE, AS THE PUBLISHED FIGURE FOR NOVEMBER IS ALREADY MORE THAN 46 MILLION DOLLARS.

4. ACTION REQUESTED. WHILE IT MOST LIKELY THAT CENTRAL BANK HAS ALREADY COMMUNICATED THIS GOOD NEWS TO EXIMBANK TO HELP IN BOEING 747 AND OTHER NEGOTIATIONS, REQUEST DEPARTMENT ASSURE THAT ABOVE INFORMATION IS KNOWN TO APPROPRIATE EXIM OFFICIALS.

5. KINSHASA PLEASE PASS ABOVE INFORMATION TO LOCKHEED REPRESENTATIVE WILLIS PUTNAM WHO WAS DUE TO ARRIVE KINSHASA JANUARY 25. BARRETT

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NNN

Message Attributes

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Draft Date: 02 feb 1978
Decaption Date: 01 jan 1960
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TAGS: EFIN, ETRD, EAIR, MA, XMB
To: STATE
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